

GOVERNMENT CODE

TITLE 10. GENERAL GOVERNMENT

SUBTITLE C. STATE ACCOUNTING, FISCAL MANAGEMENT, AND PRODUCTIVITY

CHAPTER 2106. INDIRECT COST RECOVERY PROGRAM

Sec. 2106.001. DEFINITIONS. In this chapter:

(1) "Federally reimbursable indirect cost" means a cost, as defined by Office of Management and Budget Circular No. A-87 or a subsequent revision of or successor to that circular, that is:

(A) incurred by a state agency in support of a federally funded program, other than a research program funded by a federal grant at an institution of higher education; and

(B) eligible for reimbursement from the federal government.

(2) "Indirect cost" means the cost of administering a state or federally funded program and includes a cost of providing a statewide support service. The term does not include the actual costs of the program.

(3) "State agency" means a department, board, commission, or other entity in the executive branch of state government that has statewide jurisdiction and administers a program to provide a service to the public or to regulate persons engaged in an occupation or activity.

(4) "Support service" includes accounting, auditing, budgeting, centralized purchasing, and legal services.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2106.002. STATEWIDE COST ALLOCATION PLAN. (a) The office of the governor shall prepare annually a statewide cost allocation plan.

(b) The plan must:

(1) identify the costs of providing statewide support services to each state agency;

(2) allocate to each state agency an appropriate portion of the total costs of statewide support services, including costs identified under Subdivision (1);

(3) identify, to the extent possible, the amount of federally reimbursable indirect costs in each allocated portion; and

(4) develop and prescribe a billing procedure that ensures each state agency is billed for all costs allocated to the agency under Subdivision (2) for which the agency is not obligated to pay another state agency under other law.

(c) The office of the governor shall distribute a copy of the plan to each state agency.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 2001, 77th Leg., ch. 419, Sec. 1, eff. Sept. 1, 2001.

Sec. 2106.003. AGENCY INDIRECT COST RECOVERY PLAN. (a) A state agency that receives federal money or charges a fee for a service it provides shall prepare annually an indirect cost recovery plan.

(b) The plan must include proposals to recover the indirect costs of the agency's programs, including the portion of statewide support service costs allocated to the agency under the statewide cost allocation plan.

(c) A state agency that receives federal money shall also prepare a separate schedule indicating its federally reimbursable indirect costs.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2106.004. TECHNICAL ASSISTANCE. The office of the governor shall provide to a state agency on request technical assistance for developing the agency's indirect cost recovery plan. Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2106.005. AGENCY RECOVERY OF INDIRECT COSTS. A state agency shall implement its indirect cost recovery plan by:

(1) applying for reimbursement for federally reimbursable indirect costs; and

(2) when permitted by law, setting fees and billing rates at amounts sufficient to recover the indirect costs of the

agency.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2106.006. GENERAL REVENUE FUND REIMBURSEMENT. (a) Subject to Subsection (c), a state agency shall send to the comptroller for deposit to the credit of the general revenue fund:

(1) the amount of federal money received by the agency for federally reimbursable indirect costs to the extent that the indirect costs are statewide allocated costs for which the agency is billed under Section 2106.002(b);

(2) the amount the agency has received in fees:

(A) that in accordance with Section 2106.005(2) should be accounted for as payment for the cost of providing statewide support services to the agency; and

(B) to the extent the agency is billed for those amounts under Section 2106.002(b); and

(3) any remaining amounts still necessary to pay the amount billed under Section 2106.002(b).

(b) Subject to Subsection (c), to the extent the amount billed under Section 2106.002(b) is not totally paid under Subsections (a)(1) and (a)(2), the comptroller shall transfer to the general revenue fund the appropriate amount charged against items of appropriation in connection with which the remaining unpaid statewide allocated costs were incurred.

(c) The legislature may provide in the General Appropriations Act that payment of the amount billed under Section 2106.002(b) is waived to the extent payment would be made from a state agency's general revenue appropriation.

(d) A state agency shall send to the comptroller information the comptroller requires to transfer amounts under Subsection (b).

(e) The comptroller shall adopt rules necessary to prescribe:

(1) the timing and method of transfers under this section; and

(2) the manner in which a state agency shall send to the comptroller information the comptroller requires to transfer amounts under Subsection (b).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.
Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 8.63, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 419, Sec. 2, eff. Sept. 1, 2001.

Sec. 2106.007. APPROPRIATION OF FEDERALLY REIMBURSED INDIRECT COSTS. (a) The legislature may appropriate to a state agency for any purpose the amount of federal money the agency is estimated to receive for federally reimbursable indirect costs during a fiscal biennium.

(b) The appropriation for a state agency may include the amount of federal money for federally reimbursable indirect costs that the agency recovers during a fiscal biennium that exceeds the estimated amount.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2106.008. INDIRECT COSTS ASSOCIATED WITH CERTAIN TEXAS DEPARTMENT OF TRANSPORTATION AGREEMENTS. The executive director of the Texas Department of Transportation may waive the application of this chapter to indirect costs of the department associated with an agreement entered into by the department with another agency of this state or a local governmental entity if the agreement relates to:

- (1) the development of a transportation project; or
- (2) a program administered by the department.

Added by Acts 1997, 75th Leg., ch. 517, Sec. 1, eff. May 31, 1997.